

(July 1992)

SUBMIT IN TRIPLICATE*

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

NA

7. Unit Agreement Name

NA

8. FARM OR LEASE NAME, WELL NO.

Twin Knolls 5-9 J

9. API Well No.

10. Field And Pool, or Wildcat

Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 9, T 11 S, R 17 E, SLB&M

12. COUNTY OR PARISH

Duchesne

13. STATE

Utah

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START

Feb., 1997

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL OIL WELL () GAS WELL (X) OTHER () SINGLE ZONE () MULTIPLE ZONE ()

2. Name of Operator

Sego Resources Corp.

3. Address and Telephone Number

P.O. Box 1066

(266 West 100 North Suite #1)

Vernal, Utah 84078

Telephone (435) 789-7250

4. LOCATION OF WELL (Report location clearly and accordance with any State requirements.)

At Surface

1990' fnl, 765' fwl, Sec. 9, T 11 S, R 17 E, SLB&M

At proposed prod. zone 607 233 same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles south of Myton, UT

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

640

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED

OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

8,000'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

Ungraded Ground Level 6558

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
11"	J-55 8 5/8"	24#	650' (+/-)	Surface	224 sks Class "G"
7 7/8"	J-55 5 1/2"	15.5#	8000' (+/-)	Production	333 sks 50:50 Poz Class "G"

Sego Resources Corp. proposes to drill, test and complete the Twin Knolls Well # 5-9J as a vertical well in the Vernal field.

Please reference the accompanying Drilling Program

BLM Right of Way is not required

Operations for this well will be conducted under Statewide BLM Bond # UT1089.

There is no spacing in the area. Wells can be drilled anywhere within a 200 foot square around the center of a 40 acre block.

Please consider all submittals pertaining to this well "Company Confidential".

If additional information is required, please contact the undersigned at (435) 789-7250, FAX (435) 789-7261

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations* and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: Roger Alinger

Roger Alinger

TITLE: CEO

DATE:

11/21/97

(This space for Federal or State office use)

PERMIT NO. 43-013-31996

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Approved by

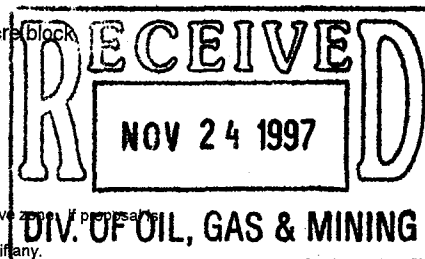
John R. Baye

Title

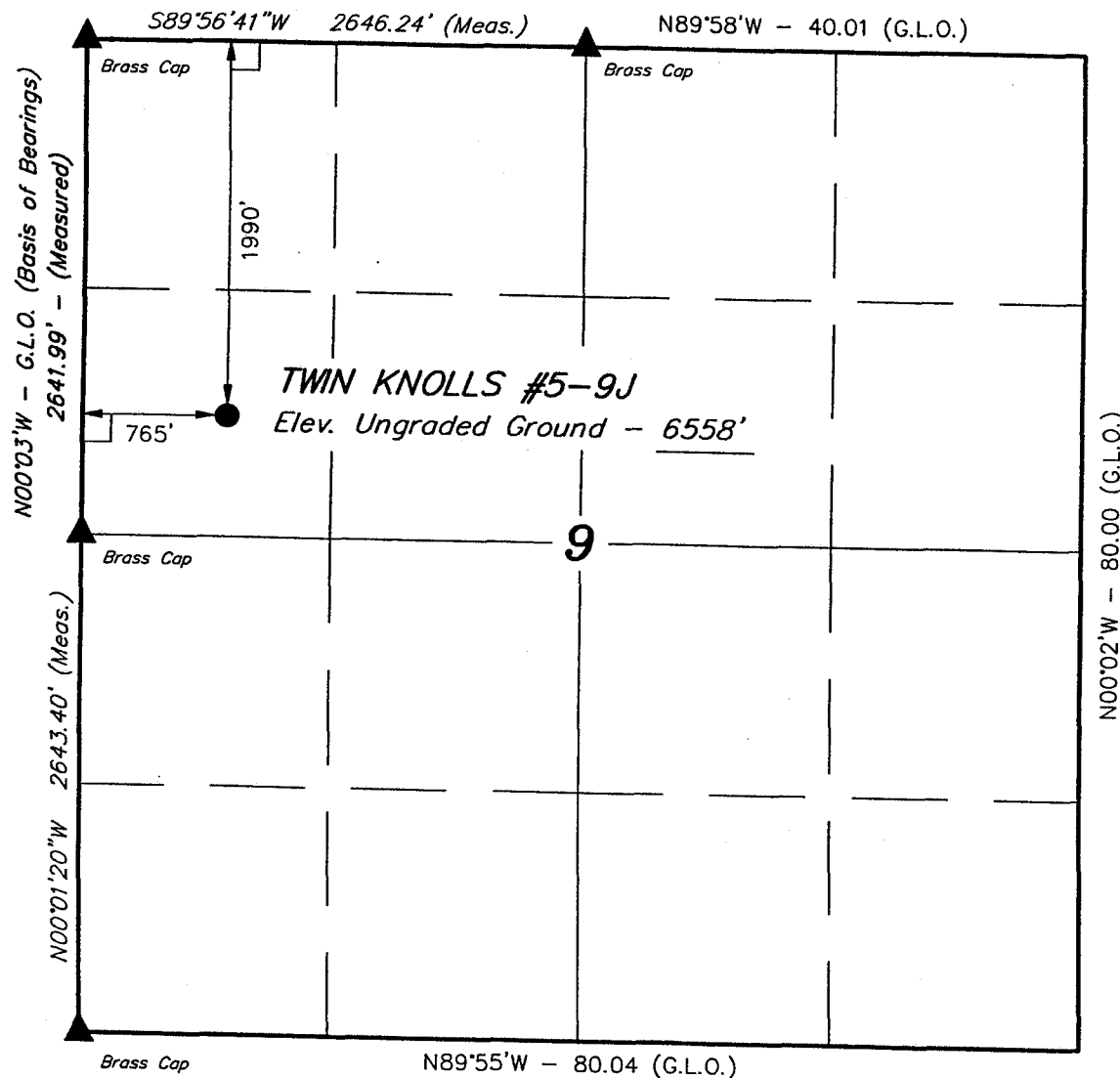
Associate Director

Date 1/8/98

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

CONFIDENTIAL

T11S, R17E, S.L.B.&M.



LEGEND:

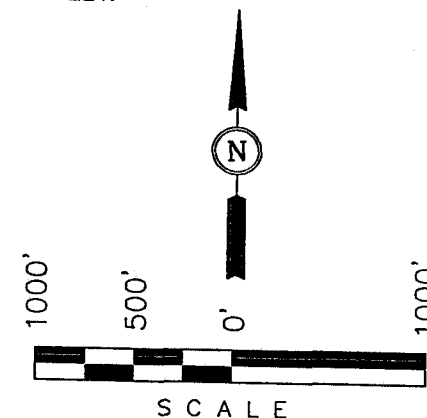
- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

SEGO RESOURCES

Well Location, TWIN KNOLLS #5-9J, located as shown in the SW 1/4 NW 1/4 of Section 9, T11S, R17E, S.L.B.&M. Duchesne County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A RIDGE TOP IN THE NW 1/4 OF SECTION 8, T11S, R17E, S.L.B.&M. TAKEN FROM THE WILKIN RIDGE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6707 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Kay
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 09-18-97	DATE DRAWN: 10-09-97
PARTY L.D.T. D.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE SEGO RESOURCES	

SEGO RESOURCES

November 21, 1997

U.S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

Attn: Mr. Ed Forsman

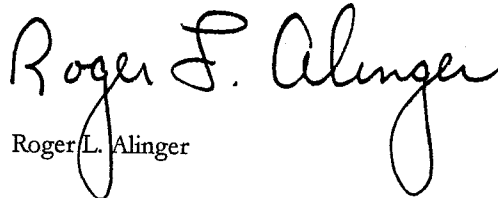
Re: Application for Permit to Drill (APD)
Federal Oil & Gas Lease UTU74403
Twin Knolls Well # 5-9J
SW/4 NW/4 Sec. 9, T11S, R17E
Duchesne County, Utah

Dear Mr. Forsman:

Enclosed are one original and two copies of the above referenced APD plus supporting material.

Please contact me at (435) 789-7250 if additional information is needed.

Thank you,


Roger L. Alinger

SEGO RESOURCES CORP.

Twin Knolls 5-9J
SW/NW SECTION 9, T11S, R17E
DUCHESNE COUNTY, UTAH

DRILLING PROGRAM

1. Estimated tops of important geologic markers:

Ground Level	6557' graded
Uinta	Surface to 250'
Green River	250' to 4922'
Wasatch	4922' to T.D.

2. Estimated depths of anticipated water, oil, gas or minerals:

<u>Mineral</u>	<u>Formation</u>	<u>Depth</u>
Natural gas	Wasatch	7052'

Fresh water Fresh water aquifers will be protected with surface casing set at 650'.
All potentially productive usable water, hydrocarbons, and other
mineral zones will be protected with casing and cement.

3. Proposed casing program:

8 5/8", J-55, 24.0# ST&C set at 650' KB (new)—centralizers will be used on the bottom 3 joints
5 1/2", J-55, 15.5# LT&C set at 8000' (TD) (new)—centralizers will be used across the pay zone

4. Minimum specifications for pressure control:

1. The BOP and related equipment will meet or exceed the requirements of a 2M-psi system as set forth in Onshore Order No. 2.
2. The BOP and related well control equipment will be pressure tested to rated pressure or 70% of internal yield of surface casing (2065 psi) when initially installed and whenever any seal subject to pressure test is broken.
3. Pipe and blind rams will be functioned each trip (max. once/day); annular preventers weekly.

5. Mud System: The following is meant as a guide only. Actual mud weights will be determined by hole conditions. Sufficient quantities of mud materials will be maintained or readily accessible for assuring well control.

<u>Interval</u>	<u>Mud Weight</u> <u>PPG</u>	<u>Viscosity</u> <u>SEC</u>	<u>Fluid Loss</u> <u>CC</u>	<u>Remarks</u>
0 – 650'	air		No control	
650' – 5000'	8.4 – 8.9	27 – 45	No control	Fresh water native mud w/high viscosity sweeps
5000' - 8000'	8.4 – 8.9	35 – 45	10 – 12	PHPA polymer

6. Testing, Logging, and Coring Program

Cores-DST's: None anticipated at this time.

Surveys: Deviation surveys will be taken at 325' and TD of surface pipe (+/- 650'). Max. deviation of 2 deg. at casing point and no more than 1 deg. change between surveys. Deviation surveys will be taken before bit trips from surface casing to TD with a maximum deviation of 5 deg and no more than 2 deg between consecutive surveys.

Mud Logger: From 500' above the Wasatch to TD. Sample frequency to be determined.

Logging:	Resistivity, GR	TD to surface casing shoe
	Neutron/Density, Cal	TD to 4500'
	Dipole Sonic	To be determined
	Magnetic Resonance	To be determined

7. Cementing Program

Surface Pipe: Will be cemented with 224 sacks of Class "G" cement with additives (yield approx. 1.17 cu-ft per sack). Total quantity is 50% excess based on 8 5/8" casing in a 11" hole. In the event cement does not circulate to surface or fall back of the cement column occurs, a top out cement job will be done to bring cement back to surface.

Production String: Estimated volume is 333 sacks of 50:50 POZ "G" with 2.0% bentonite plus additives (yield is approximately 1.25 cu-ft per sack). Volume is based on 20% excess over quantity required for 2000 ft. of fill with 5 1/2" casing in a 7 7/8" hole. Actual volumes will be determined from the caliper log.

8. Abnormal Conditions/Expected BHP

No abnormal pressures are anticipated in the Tertiary Green River or Wasatch formations. As such, bottom hole pressures are expected to be less than 3500 PSI. There has been no indication of H₂S in any wells drilled in the area.

9. Other Information

The Vernal District BLM office (435) 789-1362 is to be notified:

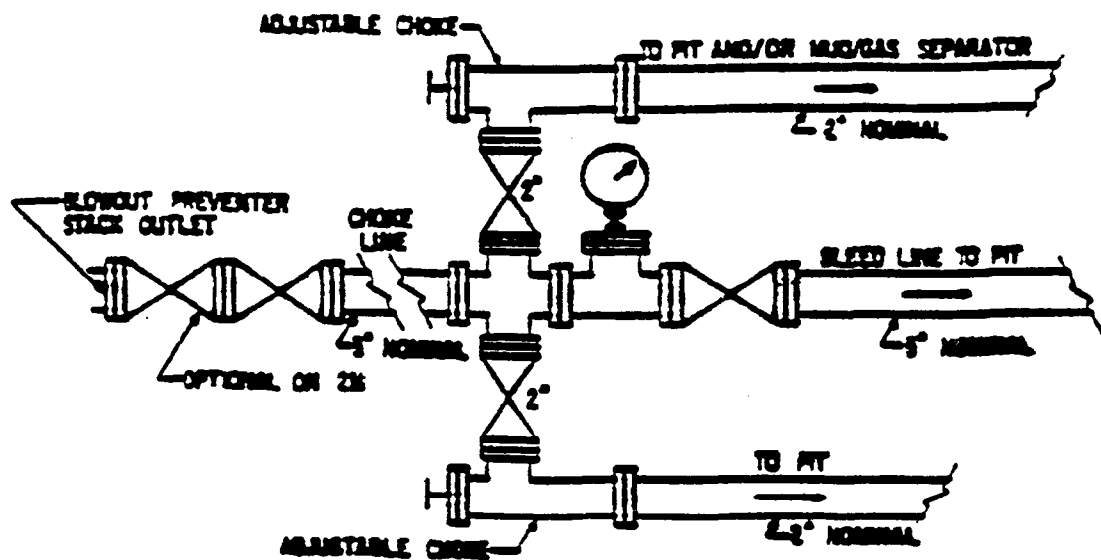
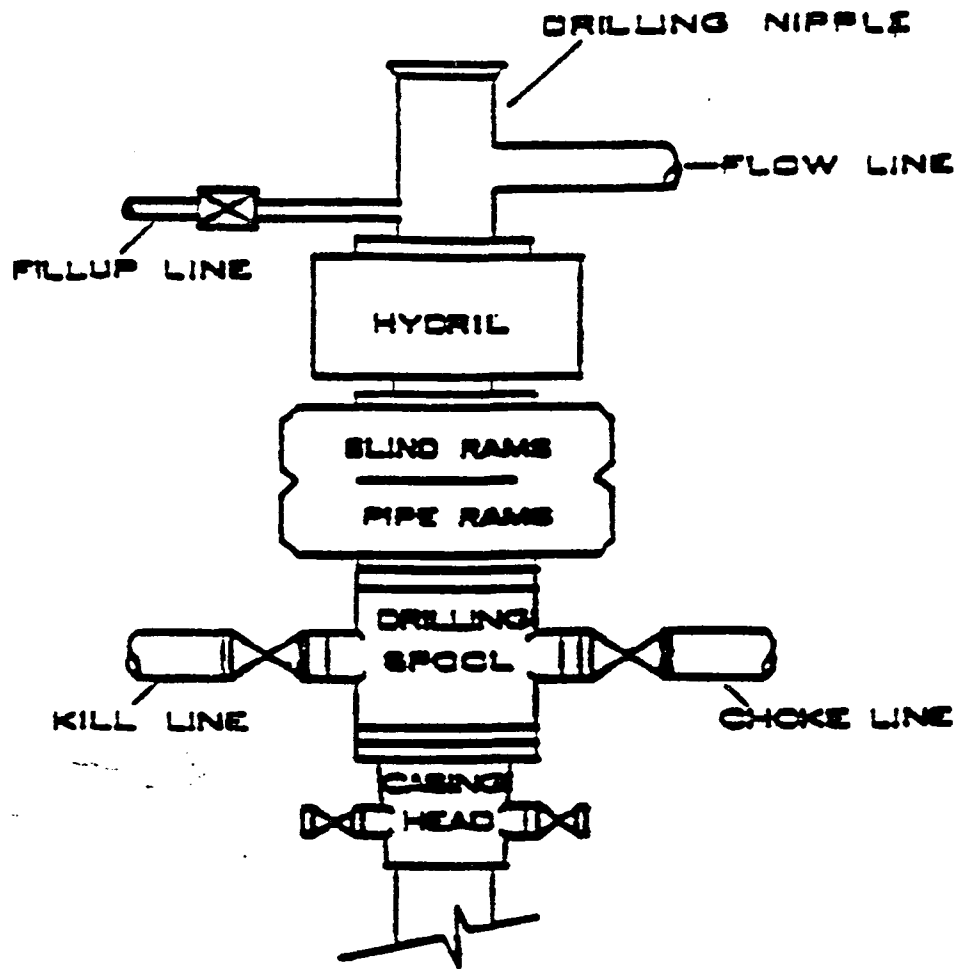
- 48 hours prior to construction of location and access roads
- prior to moving the drilling rig on location
- at least 24 hours prior to spudding the well
- at least 24 hours prior to running casing and cementing all casing strings
- 24 hours prior to initiating pressure tests on BOP equipment

Should it be necessary to make after hour's notification, one of the following individuals will be contacted:

- | | |
|-----------------|----------------|
| - Ed Forsman | (435) 789-7077 |
| - Wayne Bankert | (435) 789-4170 |
| - Jerry Kenczka | (435) 781-4410 |

2M SYSTEM

BOP STACK



Well name

Twin Knolls #5-9J

Operator: **Sego Resources Corp.**

String type: Production: Frac

Location: Sec 9, T11S, R17E

Design parameters:

Collapse

Mud weight: 8.60 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 50.00 °F
Bottom hole temperature: 162 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,000 ft

Burst

Max anticipated surface pressure: 4,400.00 psi
Internal gradient: 0.45 psi/ft
Calculated BHP 8,000.00 psi

Annular backup: 8.34 ppg

Tension: Non-directional string.

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.60 (B)

Tension is based on buoyed weight.

Neutral point: 6,959.13 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000	5.5	15.50	J-55	LT&C	8000	8000	4.825	250.8

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	3574	4040	1.13	4534	4810	1.06	107.9	217	2.01 J

Prepared Roger Alinger
by: Sego Resources

Phone: 435-789-7250
FAX: 435-789-7261

Date: 19-Nov-97
Vernal, Utah

Remarks:

Collapse is based on a vertical depth of 8000 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

SEGO RESOURCES CORP.

Twin Knolls Well # 5-9J
SW/NW SECTION 9, T11S, R17E
DUCHESNE COUNTY, UTAH

SURFACE USE PROGRAM

1. Existing Roads

See attached "topo A" and "topo B".

2. Planned access Roads

The Planned access road traverses approximately 0.3 miles east of the Sand Wash road. The road will have a running surface of 18 feet and a maximum disturbed width of 30 feet. Because of the short length of road and relatively flat terrain there will be no turnouts, gates, cattleguards, cuts or fills.

3. Location of Existing Wells

The nearest well is a well in the NW/NW 5-11S-17E drilled and abandoned by Phillips in 1960.

4. Location of Existing and Proposed Facilities

There are no existing facilities on the site.

If the well is completed as a producer, a request for approval of subsequent operations will be made for production equipment and flowlines.

All permanent structures built or installed on the site will be painted Carlsbad Canyon (2.5Y 6/2).

5. Location and Type of Water Supply

Jim Nebeker Trucking will provide water from their water well in S34-T3S-R2W. The water permit number is 43-1721.

6. Source of Construction Materials

See attached *Location Layout*. All materials for construction will be obtained on-site.

7. Methods for Handling Waste Disposal

All drill cuttings will be contained and buried in the reserve pit shown on the *Location Layout*. The pit will be unlined unless it is determined during construction that leakage from the pit is likely. If it is determined a liner is necessary, it will be a 12 mil plastic/nylon material underlain by sufficient bedding to protect the liner from tearing. No trash or material that might puncture the liner will be disposed of in the pit.

All drilling fluids including salts and chemicals will be contained in the reserve pit. After completion of the well, drilling fluids will be either moved to the next location for use or left in the pit until sufficient evaporation has occurred to backfill the pit. If it appears the evaporation process will take longer than 6 months, the drilling fluid will be hauled to an approved disposal facility.

A portable toilet will be furnished for onsite personnel.

A trash basket will be provided on location for garbage and other waste material. At the end of drilling operations, the trash basket will be hauled to an approved disposal site. Trash will not be burned on location.

No hazardous materials in an amount greater than 10,000 pounds will be used, stored, produced, transported, or disposed of annually in association with the drilling, testing, or completing of the well. In addition extremely hazardous substances as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

After first production, produced water will be confined to the reserve pit for a period not to exceed ninety days. During the ninety day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Authorized Officers approval.

8. Ancillary Facilities

No camp facilities are planned for drilling personnel. Trailers for the toolpusher and drilling superintendent are anticipated.

9. Well Site Layout

See the attached *Location Layout* for the location of all equipment and *Cross Section* for the projected cut and fill necessary on the location.

The reserve pit will be fenced according to the following minimum standards:

- a. 39-inch net wire will be used with at least one strand of barbed wire on top of the net wire.
- b. The net wire will be no more than 2 inches above the ground. The barbed wire will be 3 inches above the net wire. Total height of the fence will be at least 42 inches.
- c. Corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times.
- d. Standard steel, wood, or pipe posts will be used between the corner braces. The maximum distance between any two posts will be no greater than 16 feet.
- e. All wire will be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean up.

10. Plan for Restoration of Surface

a. *Producing Location*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit will be removed in accordance with 43 CFR 3162.7-1.

If a plastic nylon liner is used, it will be torn and perforated before backfilling the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting. Before any dirt work begins on the pit, all fluids will be removed.

b) *Dry Hole/Abandoned Location*

At such time as the well is plugged and abandoned, Sego will submit a subsequent report of abandonment and re-contour the site to the approximate original conditions and seed with the mixture shown below.

c) *Seed Mix*

Restoration of the reserve pit, topsoil pile or location, as appropriate, will include broadcast seeding with the following seed mix: 3 lb./ac. Needle and Thread, 4 lb./ac. Four Wing Salt Bush, 3 lb./ac. Shadscale, and 2 lb./ac. Fringe Sage.

11. Surface Ownership

Access Road: BLM Land

Location: BLM Land

12. Other Additional Information

- a. Sego Resources is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, Sego will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Grand River Institute has previously submitted a *Summary Report of Inspection for Cultural Resources* to the BLM. There was no finding of cultural resources.
- b. Sego Resources will control noxious weeds along the rights-of-way for roads, pipelines, well sites, and other applicable facilities. On BLM administered land a Pesticide Use

Proposal will be submitted, and approval obtained, before application of herbicides or other pesticides.

- c. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization.
- d. Item 9. in the Drilling Program has notification requirements that will be met.
- e. A complete copy of the approved APD, if applicable, will be on location during the construction of location and during drilling activities.

13. Lessee's or Operators Representative and Certification

Representative

Name: Roger L. Alinger

Address: P.O. Box 1066, 266 West 100 North #1, Vernal, Utah 84078

Telephone No. (435) 789-7250

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and, that the work associated with the operations proposed here will be performed by Sego Resources and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Nov. 21, 1997
Date

Roger Alinger
Roger Alinger
Area Manager

Onsite Date: November 18, 1997

Participants on Joint Inspection

- | | |
|-------------------|----------------|
| • Stan Olmstead | BLM |
| • Tom Dabbs | BLM |
| • Steve Strong | BLM |
| • Logan MacMillan | Sego Resources |
| • Roger Alinger | Sego Resources |

SEGO RESOURCES

November 21, 1997

SELF-CERTIFICATION STATEMENT

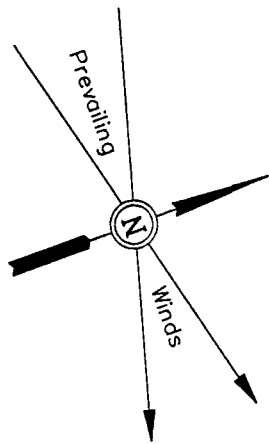
Please be advised that Sego Resources Corp. is the operator of the Twin Knolls Well No. 5-9J; located in the SW/4, NW/4, Section 9, Township 11 South, Range 17 East; Lease UTU74403, Duchesne County, Utah; and is responsible under the terms and conditions of the lease and for the operations conducted upon the leased lands. Bond coverage is provided by American Casualty Company under BLM Bond Number UT1089.


Chief Executive Office

SEGO RESOURCES

LOCATION LAYOUT FOR

TWIN KNOLLS #5-9J
SECTION 9, T11S, R17E, S.L.B.&M.
1990' FNL 765' FWL



SCALE: 1" = 50'
DATE: 10-09-97
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

FLARE PIT



El. 61.2'
C-12.4'
(btm. pit)

NOTE:

Pit Capacity W/2' of Freeboard is ±4,600 Bbls.

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

RESERVE PITS (8' Deep)

Sta. 0+67

El. 59.1'
C-10.3'
(btm. pit)

El. 57.1'
C-0.3'

El. 55.7'
F-1.1'

C-2.7'
El. 59.5'

C-4.0'
El. 60.8'

F-1.2'
El. 55.6'

C-1.3'
El. 58.1'

F-1.4'
El. 55.4'

F-2.0'
El. 54.8'

F-3.5'
El. 53.3'

Proposed Access Road

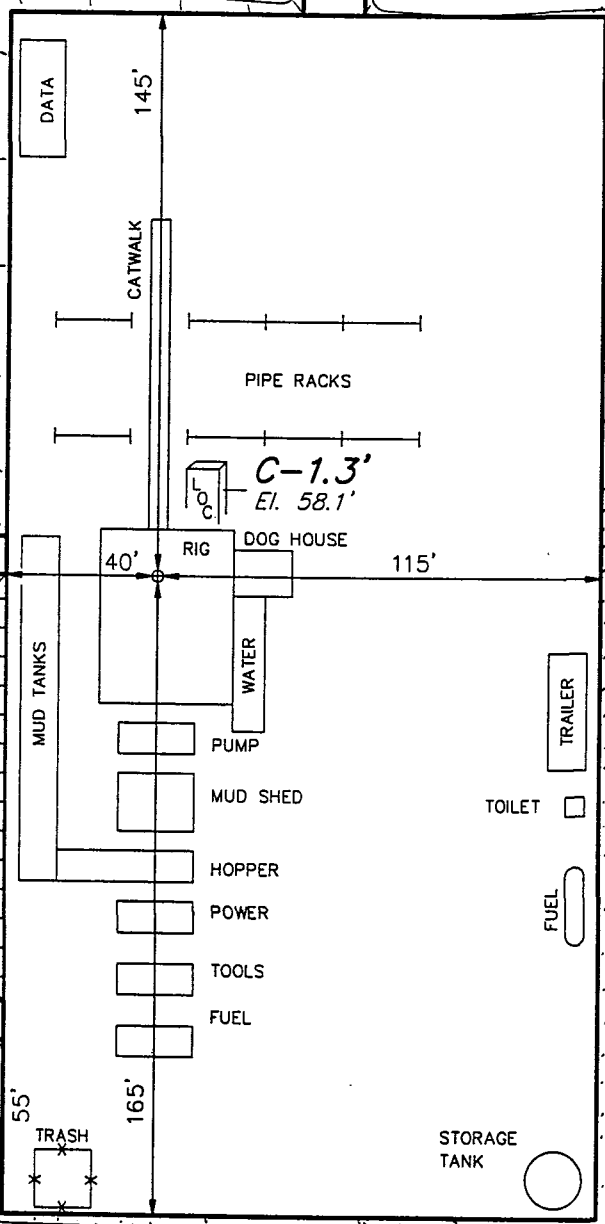
Sta. 3+10

Sta. 1+65

Sta. 0+00

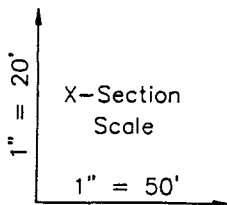
Topsoil Stockpile

Approx. Toe of Fill Slope



Elev. Ungraded Ground at Location Stake = 6558.1'
Elev. Graded Ground at Location Stake = 6556.8'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

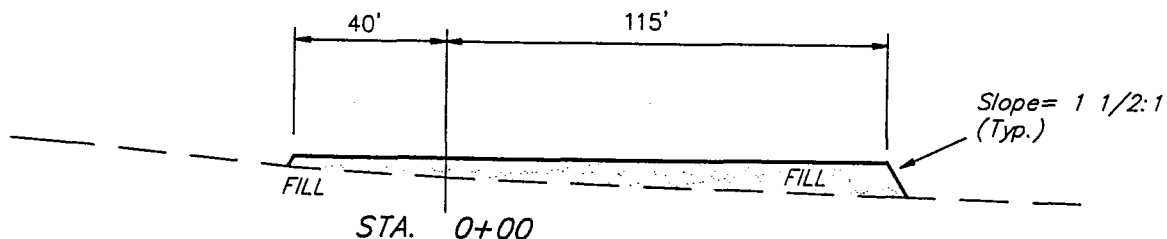
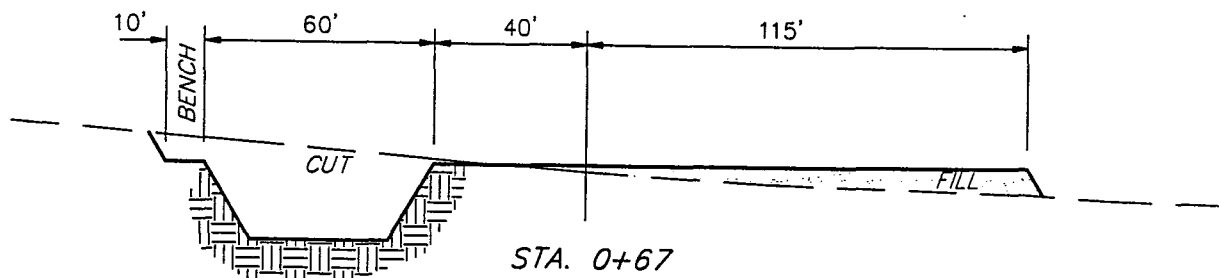
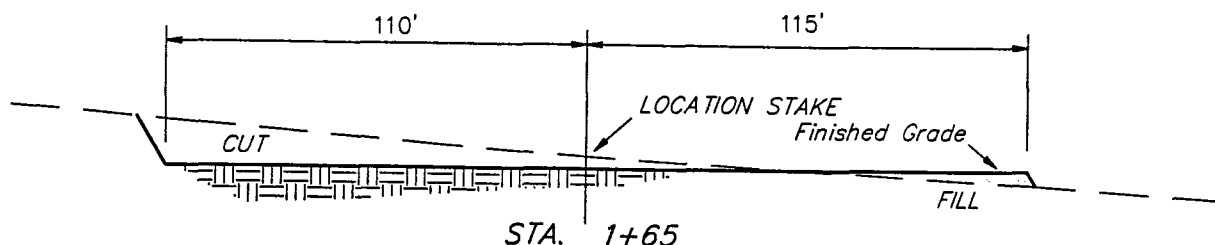
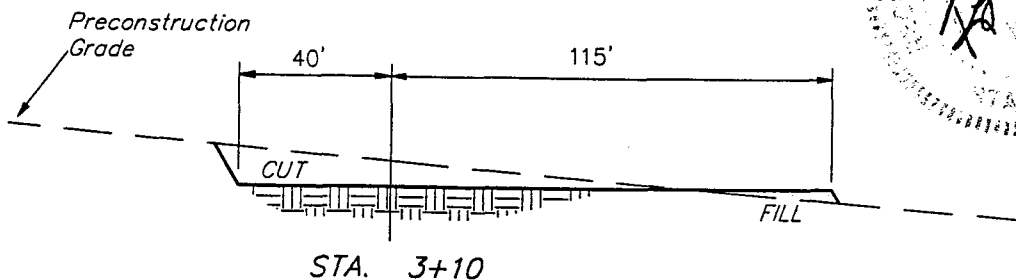


SEGO RESOURCES

TYPICAL CROSS SECTIONS FOR

TWIN KNOLLS #5-9J
SECTION 9, T11S, R17E, S.L.B.&M.
1990' FNL 765' FWL

DATE: 10-09-97
Drawn By: D.R.B.

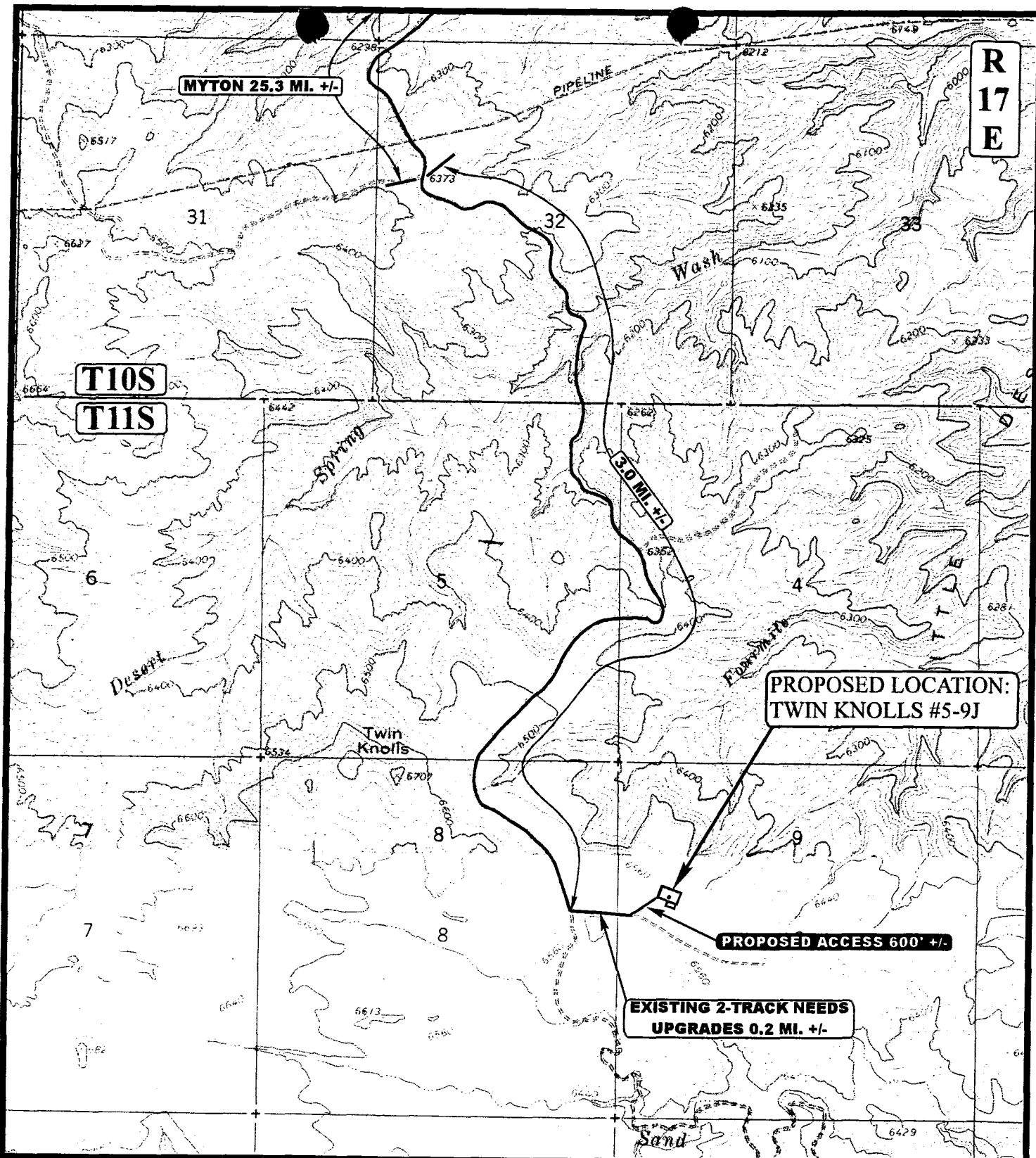


APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,010 Cu. Yds.
Remaining Location = 2,860 Cu. Yds.
TOTAL CUT = 3,870 CU.YDS.
FILL = 2,050 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION = 1,710 Cu. Yds.
Topsoil & Pit Backfill
(1/2 Pit Vol.) = 1,710 Cu. Yds.
EXCESS UNBALANCE
(After Rehabilitation) = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



LEGEND:

--- PROPOSED ACCESS ROAD
 — EXISTING ROAD

SEGO RESOURCES

TWIN KNOLLS #5-9J
SECTION 9, T11S, R17E, S.L.B.&M.
1990' FNL 765' FWL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com



TOPOGRAPHIC
MAP

10 7 97
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00

B
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/24/97

API NO. ASSIGNED: 43-013-31996

WELL NAME: TWIN KNOLLS 5-9J
OPERATOR: SEGO RESOURCES (N6095)

PROPOSED LOCATION:

SWNW 09 - T11S - R17E
SURFACE: 1990-FNL-0765-FWL
BOTTOM: 1990-FNL-0765-FWL
DUCHESNE COUNTY
WILDCAT FIELD (001)

LEASE TYPE: FED
LEASE NUMBER: UTU - 74403

PROPOSED PRODUCING FORMATION: WSTC

INSPECT LOCATION BY: / /

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(Number UT 1089)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 43-1721)
☒ RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☐ R649-2-3. Unit: _____
☒ R649-3-2. General.
☐ R649-3-3. Exception.
☐ Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS: Conf. status req.

STIPULATIONS:



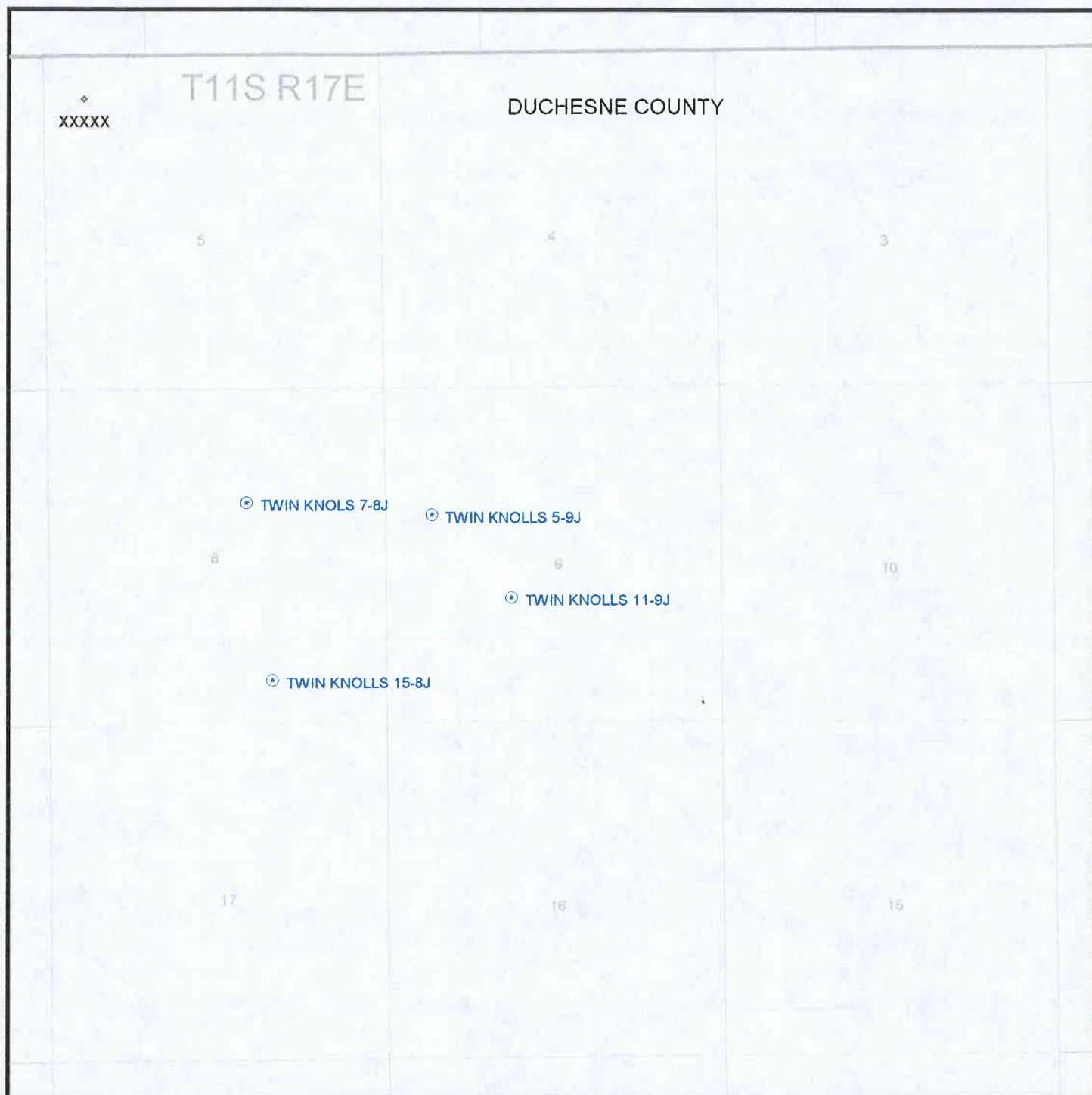
DIVISION OF OIL, GAS & MINING

OPERATOR: SEGO RESOURCES (N6095)

FIELD: WILDCAT (001)

SEC. TWP. RNG.: SEC. 8 & 9, T11S, R17E

COUNTY: DUCHESNE UAC: R649-3-2



DATE PREPARED:
25-NOV-1997



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

January 8, 1998

Sego Resources Corporation
266 West 100 North Suite #1
P.O. Box 1066
Vernal Utah 84078

Re: Twin Knolls 5-9 J, 1990' FNL, 765' FWL, SW NW
Sec. 9, T. 11 S, R 17 E., Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-31996.

Sincerely,

John R. Baza
Associate Director

ls

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Sego Resources Corp.
Well Name & Number: Twin Knolls 5-9 J
API Number: 43-013-31996
Lease: UTU75672
Location: SW NW Sec. 9 T. 11 S. R. 17 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jim Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

(July 1992)

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No.

UTU74403

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

6. If Indian, Allottee or Tribe Name

NA

7. Unit Agreement Name

NA

b. TYPE OF WELL OIL WELL () GAS WELL (X) OTHER () SINGLE ZONE () MULTIPLE ZONE ()

2. Name of Operator

Sego Resources Corp.

8. FARM OR LEASE NAME, WELL NO.

Twin Knolls 5-9 J

3. Address and Telephone Number

P.O. Box 1066

(266 West 100 North Suite #1)

Vernal, Utah 84078

9. API Well No.

NOV 21 1997

Telephone (435) 789-7250

4. LOCATION OF WELL (Report location clearly and accordance with any State requirements.)

At Surface

1990' fnl, 765' fwl, Sec. 9, T 11 S, R 17 E, SLB&M

10. Field And Pool, or Wildcat

Wildcat

At proposed prod. zone

same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 9, T 11 S, R 17 E, SLB&M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles south of Myton, UT

12. COUNTY OR PARISH

Duchesne

13. STATE

Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED

OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

8,000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

Ungraded Ground Level 6558

22. APPROX. DATE WORK WILL START

Feb., 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
11"	J-55 8 5/8"	24#	650' (+/-)	Surface	224 sks Class "G"
7 7/8"	J-55 5 1/2"	15.5#	8000' (+/-)	Production	333 sks 50:50 Poz Class "G"

Sego Resources Corp. proposes to drill, test and complete the Twin Knolls Well # 5-9J as a vertical well in the Wasatch formation

Please reference the accompanying Drilling Program

BLM Right of Way is not required

Operations for this well will be conducted under Statewide BLM Bond # UT1089.

There is no spacing in the area. Wells can be drilled anywhere within a 200 foot square around the center of a 40 acre block.

Please consider all submittals pertaining to this well "Company Confidential".

If additional information is required, please contact the undersigned at (435) 789-7250, FAX (435) 789-7261

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: Roger Alinger

TITLE: CEO

DATE:

11/21/97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY

Approved by

Assistant Field Manager
Mineral Resources

Date

JAN - 5 1998

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACH

DOGM

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Sego Resources Corporation

Well Name & Number: Twin Knolls 5-9J

API Number: 43-013-31996

Lease Number: U -74403

Location: SWNW Sec. 09 T. 11S R. 17E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water, identified at 4,673 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

METHODS FOR HANDLING WASTE MATERIALS AND DISPOSAL

The reserve pit and those portions of the location not needed for production facilities and/or operations shall be reclaimed and recontoured in accordance with the APD.

Stockpiled topsoil shall then be spread over the rehabilitated areas to approximate the original topsoil thickness.

Immediately after spreading the topsoil, the rehabilitated areas and the remaining topsoil stockpile shall be broadcast seeded with the seed mixture described in the APD and the seed walked into the soil with a "CAT". All seed poundages are in Pure Live Seed.

Upon final abandonment if additional recontouring is needed for these areas, the topsoil shall be removed prior to the final recontouring.

Recontour all disturbed areas to blend in appearance with the surrounding terrain.

All topsoil shall be spread over the recontoured surface.

Other Information

Mountain Plover

According to the timeframes listed on the following chart and prior to new construction and drilling activities, a detailed survey of the area within 0.5 mile of a proposed location and 300 feet either side of the center line of a proposed access route will be made by BLM or a qualified biologist to detect the presence of plovers. Extreme care shall be exercised to locate plovers due to their highly secretive and quiet nature. Where possible, the survey shall first be made from a stationary vehicle. All plovers located will be observed long enough to determine if a nest is present. If no visual sightings are made from the vehicle, the area will be surveyed again on foot.

Starting Date of Construction or Drilling Activity	Number of Surveys
From March 15 through April 15	1
From April 16 through July 15	2
From July 16 through August 15	1

The surveys will be conducted no more than 14 days prior to the date actual construction or drilling activities begin. If two surveys are required, they will be made at least 14 days apart with the last survey no more than 14 days prior to the start-up date.

If an active nest or chicks are found in the area, the planned activity will be delayed until the chicks are out of downy plumage; the brood vacates the area of influence; or, the nest has failed.

Sage Grouse

If the location is to be constructed or drilled from March 1 through June 30 the operator will be required to contact the authorized officer of the BLM to conduct a wildlife survey for sage grouse. If sage grouse are not found in the area then the operator may proceed with the development or drilling of the location.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

CONFIDENTIAL

Name of Company: SEGO RESOURCES

Well Name: TWIN KNOLLS 5-9J

Api No. 43-013-31996

Section 9 Township 11S Range 17E County DUCHESNE

Drilling Contractor CHANDLER

Rig # 1

SPUDDED:

Date 1/21/98

Time

How ROTARY

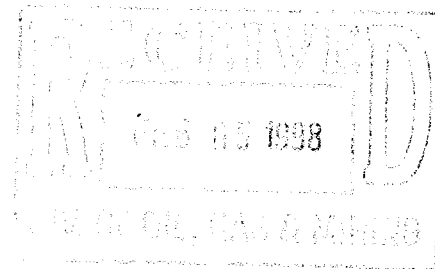
Drilling will commence

Reported by ROGER ALANGER

Telephone # 1-435-789-7250

Date: 1/19/98 Signed: JLT

SEGO RESOURCES



February 3, 1998

U.S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

Attn: Mr. Ed Forsman

CONFIDENTIAL

Re: Drilling Reports
Federal Oil & Gas Lease UTU74403
Twin Knolls Well #5-9J
~~API #43-013-0178~~
SW/4 NW/4 Sec. 9, T11S, R17E
Duchesne County, Utah

Dear Mr. Forsman:

Enclosed are daily drilling reports for the Twin Knolls 5-9J well. Please note this is all of the reports rather than progress reports as submitted with our prior drilling rig.

Please contact me at (435) 789-7250 if additional information is needed.

Regards,

Roger L. Alinger

Cc: DNR/DOGM

**SEGO RESOURCES
DAILY DRILLING REPORT**

Date:	1/22/98	Well:	Twin Knolls Well # 5-9J		AFE #	A98102	
Depth	665'	Proj TD	8000'	Present	Change Drill Line		
Prog.	0	Formt	Kw	Operation			
Days	0	Supervisor:	Chuck Emerson		Phone:	801-790-3337	Rig: Chandler Rig #1

MUD DATA

Mud Type	Daily Mud Cost				Cum Mud Cost		
Pit Vol, Bbls	Hole Vol.		Vendor		Engr.		
Wt	Vis	PV	YP	Gels	API WL	HTHP	pf/mf
Sol.	O/W	ES	CI	Ca	LCM	pH	

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading	
BHA #	In @	Description										Length	Wt.
Hookload, M#		Torque			Drag (+Up/-Down),M#				Allow Max Pull, M#				
Pump	Make	Model	Stk	Lnr	SPM	GPM	Press	Deviation Surveys					
Data,#1								Depth	Incl	Azim	TVD	E/-W	N/-S
#2													
ECD		AVDC	AVDP		AVDP								
Jet Vel		Kill SPM		Kill Press									
BGG		CG	TG		Vendor								
Max		@			Engr								
CASING DATA													
Size	Top	Depth	Wt	Gr	Shoe Test, ppg								
8 5/8"	surface	674'	24.00#	J-55									

SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/23/98	Well:	Twin Knolls Well # 5-9J		AFE #	A98102	
Depth	1660'	Proj TD	8000'	Present	Survey		
Prog.	995'	Formt	Kw	Operation			
Days	1	Supervisor:	Chuck Emerson		Phone:	801-790-3337	Rig: Chandler Rig #1

MUD DATA

Mud Type	water	Daily Mud Cost				Cum Mud Cost	
Pit Vol, Bbls	300 bbl	Hole Vol.	39	Vendor	Mustang	Engr.	Craig Hart
Wt	Vis	PV	YP	Gels	API WL	HTHP	pf/mf
Sol.	O/W	ES	CI	Ca	LCM	pH	

DRILLING DATA

[illegible]

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K

Hookload, M#	Torque	Drag (+Up/-Down),M#	Allow Max Pull, M#
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press	Deviation Surveys
------	------	-------	-----	-----	-----	-----	-------	-------------------

Data, #1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S
#2	GD	PZ-8	8	6"	110	319	1100 psi	682'	1/2				

ECD	AVDC	AVDP	AVDP	1171'	1				
-----	------	------	------	-------	---	--	--	--	--

Jet Vel	Kill SPM	Kill Press						
---------	----------	------------	--	--	--	--	--	--

BGG	CG	TG	Vendor						
-----	----	----	--------	--	--	--	--	--	--

Max	@	Engr	Bill Small						
-----	---	------	------------	--	--	--	--	--	--

CASING DATA

Size	Top	Depth	Wt	Gr	Shoe Test, ppg						
------	-----	-------	----	----	----------------	--	--	--	--	--	--

8 5/8"	surface	674'	24.00#	J-55						
--------	---------	------	--------	------	--	--	--	--	--	--

DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	Date Last Bop Drill	Tour
------	--------------------	---------------------	------

0700 To	Hrs.	Date Last PVT Check
---------	------	---------------------

11:00	4	Install new drill line
-------	---	------------------------

12:00	1	Fill pits & prime pump
-------	---	------------------------

12:00	1	Fill pits & prime pump
15:00	2	BL DIA #1

15:00	3	PU BHA #1
-------	---	-----------

16:00	1	Drill out cement. Tag @ 648'.
-------	---	-------------------------------

17:00	1	Drilling
-------	---	----------

17:30	1/2	Survey 1/2 deg @ 682'
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17:50	1/2	Survey 1/2 deg @ 50Z
0:00	6 1/2	Drilling

0.00	0 1/2	Dining
0.30	1/2	6 1 1/2 @ 11511

0:30	1/2	Survey 1 deg @ 1171'
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7:00	6 1/2	Drilling
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[illegible][illegible][illegible]

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SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/24/98	Well:	Twin Knolls Well # 5-9J				AFE #	A98102	
Depth	3128'	Proj TD	8000'	Present Opns Drilling					
Prog.	1468'	Formt	Kw	Legal Desc.		SW NW Sec. 9 T11S R17E Duchesne Utah			
Days	2	Supervisor:	Chuck Emerson		Phone:	801-790-3337		Rig:	Chandler Rig #1

MUD DATA

Mud Type	water			Daily Mud Cost				Cum Mud Cost			
Pit Vol, Bbls	300 bbl		Hole Vol.	39		Vendor Mustang		Engr. Craig Hart			
Wt	8.4	Vis	27	PV	YP	Gels	API WL		HTHP	pf/mf	
Sol.		O/W		ES	Cl	250	Ca	60	LCM		pH

DRILLING DATA

[illegible]

Hookload, M#			Torque		Drag (+Up/-Down),M#				Allow Max Pull, M#				
Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys					
Data,#1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S
#2	GD	PZ-8	8	6"	110	319	1200	682'	1/2				
ECD		AVDC	AVDP		AVDP			1171'	1				
Jet Vel		Kill SPM		Kill Press				1660'	1 1/2				
BGG		CG	TG		Vendor			2249'	1 1/4				
Max		@				Engr Bill Small		2745'	3/4				

CASING DATA

[illegible]

DESCRIPTION OF DAILY ACTIVITIES

[illegible]

SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/25/98	Well:	Twin Knolls Well # 5-9J				AFE #	A98102		
Depth	3984	Proj TD	8000'	Present Opns Drilling						
Prog.	856'	Formt	Kw	Legal Desc.	SW NW Sec. 9	T11S	R17E	Duchesne	Utah	
Days	3	Supervisor:	Chuck Emerson			Phone:	801-790-3337		Rig:	Chandler Rig #1

MUD DATA

Mud Type	water			Daily Mud Cost				Cum Mud Cost			
Pit Vol, Bbls	400 bbl		Hole Vol.	192		Vendor Mustang		Engr. Craig Hart			
Wt	8.4	Vis	27	PV	YP	Gels	API WL		HTHP	pf/mf	
Sol.		O/W		ES	Cl	300	Ca	120	LCM		pH

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading	
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8/8/00	
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'		378'	7	54	50/110	40		
BHA #	In @	Description											Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub											712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub											730.89'	50K
Hookload, M#			Torque			Drag (+Up/-Down),M#					Allow Max Pull, M#			
Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys						
Data,#1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S	
#2	GD	PZ-8	8	6"	110	319	1200	682'	1/2					
ECD		AVDC	AVDP			AVDP		1171'	1					
Jet Vel		Kill SPM			Kill Press			1660'	1 1/2					
BGG		CG	TG		Vendor			2249'	1 1/4					
Max		@				Engr	Bill Small	2745'	3/4					
CASING DATA								3276'	1 3/4					
Size	Top	Depth	Wt	Gr	Shoe Test, ppg			3606'						
8 5/8"	surface	674'	24.00#	J-55										

DESCRIPTION OF DAILY ACTIVITIES

[illegible]

SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/26/98	Well: Twin Knolls Well # 5-9J				AFE # A98102					
Depth	5020'	Proj TD 8000'	Present Opns Drilling								
Prog.	1036'	Formt Kw	Legal Desc. SW NW Sec. 9		T11S	R17E	Duchesne Utah				
Days	4	Supervisor:	Chuck Emerson			Phone:	801-790-3337		Rig:	Chandler Rig #1	

MUD DATA

Mud Type	KCL water		Daily Mud Cost				Cum Mud Cost	
Pit Vol, Bbls	400 bbl	Hole Vol.	232	Vendor Mustang		Engr. Craig Hart		
Wt 8.4	Vis 27	PV	YP	Gels	API WL		HTHP	pf/mf
Sol.	O/W	ES	Cl 2200	Ca 100	LCM		pH 9.0	

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8/8/00
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'		1414'	30	47.1	50/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down), M#	Allow Max Pull, M#
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
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Data.#1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S
#2	GD	PZ-8	8	6"	110	319	1200	682'	1/2				

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BGG	CG	TG	Vendor	2249'	1 1/4				
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Max	@	Engr Bill Small	2745'	3/4				
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CASING DATA	3276'	1 3/4				
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Size	Top	Depth	Wt	Gr	Shoe Test, ppg	3606'	MR				
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8 5/8"	surface	674'	24.00#	J-55		4015'	2				
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DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	Date Last Bop Drill	Tour
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0700 To	Hrs.	Date Last PVT Check
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7:30	1/2	Drilling
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8:00	1/2	Survey 2 deg. @ 4015'
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18:00	10	Drilling
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18:30	1/2	Survey 2 1/2 deg. @ 4514'
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7:00	12 1/2	Drilling
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SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/27/98	Well: Twin Knolls Well # 5-9J				AFE # A98102			
Depth	5720'	Proj TD 8000'	Present Opns Drilling						
Prog.	700'	Formt Kw	Legal Desc. SW NW Sec. 9		T11S	R17E	Duchesne Utah		
Days	5	Supervisor:	Chuck Emerson		Phone:	801-790-3337		Rig: Chandler Rig #1	

MUD DATA

Mud Type	KCL water			Daily Mud Cost				Cum Mud Cost		
Pit Vol, Bbls	400 bbl		Hole Vol.	325		Vendor Mustang		Engr. Craig Hart		
Wt	8.4	Vis	27	PV	YP	Gels	API WL		HTHP	pf/mf
Sol.		O/W		ES	CI	3300	Ca	160	LCM	pH 9.5 2/5

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8/8/00
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'		2114'	52.5	40.3	50/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down), M#	Allow Max Pull, M#
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
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Data,#1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E-W	N-S
#2	GD	PZ-8	8	6"	110	319	1200	682'	1/2				

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Jet Vel	Kill SPM	Kill Press	1660'	1 1/2				
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Max	@	Engr Bill Small	2745'	3/4			
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CASING DATA	3276'	1 3/4				
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Size	Top	Depth	Wt	Gr	Shoe Test, ppg	3606'	MR				
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8 5/8"	surface	674'	24.00#	J-55		4015'	2				
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						4514'	2 1/2				
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					5650'	1 3/4				
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DESCRIPTION OF DAILY ACTIVITIES

[illegible]

SEGO RESOURCES DAILY DRILLING REPORT

Date:	1/28/98	Well:	Twin Knolls Well # 5-9J				AFE #	A98102	
Depth	6334'	Proj ID	8000'	Present Opns Drilling					
Prog.	614'	Formt	Kw	Legal Desc.	SW NW Sec. 9	T11S	R17E	Duchesne	Utah
Days	6	Supervisor:	Chuck Emerson			Phone:	801-790-3337		Rig: Chandler Rig #1

MUD DATA

Mud Type	KCL water			Daily Mud Cost				Cum Mud Cost				
Pit Vol, Bbls	400 bbl		Hole Vol.	364		Vendor	Mustang		Engr.	Craig Hart		
Wt	8.4	Vis	27	PV	YP	Gels	API WL		HTHP	pf/mf		
Sol.		O/W		ES	Cl	8000	Ca	200	LCM	pH	9.3	2/5

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading	
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8/8/00	
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'		2728'	76	35.9	60/110	40		
BHA #	In @	Description											Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub											712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub											731.89'	50K
Hookload, M#			Torque			Drag (+Up/-Down),M#					Allow Max Pull, M#			
Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys						
Data, #1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S	
#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2					
ECD		AVDC	AVDP			AVDP		1171'	1					
Jet Vel		Kill SPM			Kill Press			1660'	1 1/2					
BGG		CG	TG		Vendor			2249'	1 1/4					
Max		@				Engr Bill Small		2745'	3/4					
CASING DATA								3276'	1 3/4					
Size	Top	Depth	Wt	Gr	Shoe Test, ppg			3606'	MR					
8 5/8"	surface	674'	24.00#	J-55				4015'	2					
								4514'	2 1/2					
								5650'	1 3/4					

DESCRIPTION OF DAILY ACTIVITIES

[illegible]

SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/29/98	Well:	Twin Knolls Well # 5-9J					AFE #	A98102			
Depth	6836'	Proj TD	8000'	Present Opn Drilling								
Prog.	529'	Formt	Kw	Legal Desc.	SW N	Sec. 9	T11S	R17E	Duchesne	Utah		
Days	7	Supervisor:	Chuck Emerson					Phone:	801-790-3337		Rig: Chandler Rig #1	

MUD DATA

Mud Type	KCL water	Daily Mud Cost	Cum Mud Cost
Pit Vol, Bbls	400 bbl	Hole Vol.	423
Wt	8.4	Vis	27
Sol.	O/W	ES	Cl
			8200
			Ca
			320
			LCM
			pH
			9.5
			.2/.5

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8/8/00
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'	6427'	2821'	79.5	35.5	60/110	40	8/8/00
3	7 7/8"	HTC	F4-H	N109	3/14's	6427'		409'	13.5	30.3	60/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down), M#	Allow Max Pull, M#
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
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Data, #1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S
#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2				

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Jet Vel	Kill SP	52	Kill Press	250	1660'	1 1/2				
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BGG	CG	TG	Vendor	2249'	1 1/4				
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Max	@	Engr Bill Small	2745'	3/4				
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CASING DATA

[illegible]

DESCRIPTION OF DAILY ACTIVITIES

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SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/30/98	Well:	Twin Knolls Well # 5-9J					AFE #	A98102					
Depth	7458'	Proj TD	8000'	Present Opn Drilling & mud up										
Prog.	622'	Formt	Kw	Legal Desc.	SW N	Sec. 9	T11S	R17E	Duchesne	Utah				
Days	8	Supervisor:	Chuck Emerson				Phone:	801-790-3337			Rig:	Chandler Rig #1		

MUD DATA

Mud Type		KCL water		Daily Mud Cost				Cum Mud Cost							
Pit Vol, Bbls		400 bbl		Hole Vol.		438		Vendor Mustang		Engr. Craig Hart					
Wt 8.5		Vis 27		PV		YP		Gels		API WL		HTHP		pf/mf	
Sol.		O/W		ES		Cl 12000		Ca 240		LCM		pH 10.0		2.5	

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83 Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8/8/0
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'	6427'	2821'	79.5	35.5	60/110	40	6/2/2
3	7 7/8"	HTC	F4-H	N109	3/14's	6427'		1068'	47	22.7	60/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down), M#	Allow Max Pull, M#
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
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Data, #1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E-W	N-S
#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2				

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Jet Vel	Kill SP	52	Kill Press	250	1660'	1 1/2			
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BGG	CG	TG	Vendor	2249'	1 1/4				
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Max	@	Engr Bill Small	2745'	3/4				
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CASING DATA

Size	Top	Depth	Wt	Gr	Shoe Test, ppg	3606'	MR				
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8 5/8"	surface	674'	24.00#	J-55		4015'	2				
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						4514'	2 1/2					
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					5650'	1 3/4					
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DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	####	Date Last Bop Drill	1/29/98	Tour
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0700 To	Hrs.	Date Last PVT Check
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13:00	6	Drilling
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13:30	1/2	Rig service-Bop function test & pit drill
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7:00	17 1/2	Drilling - losing 100 bbl/hr from 7200'. Start mud up.
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SEGO RESOURCES
DAILY DRILLING REPORT

Date:	1/31/98	Well:	Twin Knolls Well # 5-9J				AFE #	A98102			
Depth	7805'	Proj TD	8000'	Present Opn Drilling				GL:	6558'		
Prog.	347'	Formt	Kw	Legal Desc. SW N Sec. 9 T11S				R17E	Duchesne Utah		
Days	9	Supervisor:	Chuck Emerson				Phone:	801-790-3337		Rig:	Chandler Rig #1

MUD DATA

Mud Type		KCL water & gel		Daily Mud Cost				Cum Mud Cost		
Pit Vol, Bbls		400 bbl		Hole Vol. 438		Vendor Mustang		Engr. Craig Hart		
Wt 8.9	Vis 30	PV 3	YP 5	Gels 1/3	API WL >12	HTHP		pf/mf		
Sol. 3.50%	O/W	ES	Cl 9400	Ca 240	LCM tr	pH 9.6		.15/.4		

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8-8->1/4
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'	6427'	2821'	79.5	35.5	60/110	40	6-6-1/8
3	7 7/8"	HTC	F4-H	N109	3/14's	6427'		1415'	70.5	20.1	60/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#			Torque		Drag (+Up/-Down),M#				Allow Max Pull, M#				
Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys					
Data.#1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S
#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2				
ECD		AVDC	193	AVDP	137	AVDP		1171'	1				
Jet Vel		Kill SP	52	Kill Press		250		1660'	1 1/2				
BGG		CG	TG		Vendor			2249'	1 1/4				
Max		@			Engr	Bill Small		2745'	3/4				

CASING DATA											
Size	Top	Depth	Wt	Gr	Shoe Test, ppg						
8 5/8"	surface	674'	24.00#	J-55		3276'	1 3/4				
						3606'	MR				
						4015'	2				
						4514'	2 1/2				
						5650'	1 3/4				
						6366'	2				

DESCRIPTION OF DAILY ACTIVITIES

[illegible]

MUD DATA

Mud Type		KCL water & gel		Daily Mud Cost					Cum Mud Cost					
Pit Vol, Bbls		400 bbl		Hole Vol.		438		Vendor Mustang		Engr. Craig Hart				
Wt	9.1	Vis	35	PV	8	YP	14	Gels	7/13	API WL	16.8	HTHP	pf/mf	
Sol.	5.30%	O/W		ES		Cl	4400	Ca	160	LCM	1	pH	8.8	.05/4

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8-8->1/4
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'	6427'	2821'	79.5	35.5	60/110	40	6-6-1/8
3	7 7/8"	HTC	F4-H	N109	3/14's	6427'	8000'	1610'	77	20.9	60/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down),M#	Allow Max Pull, M#
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
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Data,#1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E-W	N-S
#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2				

[illegible]

Jet Vel	Kill SP	52	Kill Press	250	1660'	1 1/2			
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BGG	CG	TG	Vendor	2249'	1 1/4				
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Max	@	Engr Bill Small	2745'	3/4				
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CASING DATA	3276'	1 3/4				
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Size	Top	Depth	Wt	Gr	Shoe Test, ppg	3606'	MR				
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8 5/8"	surface	674'	24.00#	J-55	4015'	2				
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							4514'	2 1/2				
							5178'	1 2 1/4				

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DESCRIPTION OF DAILY ACTIVITIES

[illegible]

SEGO RESOURCES
DAILY DRILLING REPORT

Date:	2/2/98	Well:	Twin Knolls Well # 5-9J				AFE #	A98102		
Depth	8000'	Proj TD	8000'	Present Opn	LDDP & Prep to run csg.			GL:	6558'	
Prog.	0	Formt	Kw	Legal Desc.	SW N Sec. 9 T11S		R17E	Duchesne Utah		
Days	11	Supervisor:	Chuck Emerson		Phone:	801-790-3337			Rig:	Chandler Rig #1

MUD DATA

Mud Type		KCL water & gel		Daily Mud Cost				Cum Mud Cost						
Pit Vol, Bbls		400 bbl		Hole Vol.		438		Vendor Mustang		Engr. Craig Hart				
Wt	8.8	Vis	35	PV	9	YP	8	Gels	3/6	API WL	13.2	HTHP	Feb-32	pf/mf
Sol.	4.00%	O/W		ES	1/4	Cl	3100	Ca	40	LCM	1	pH	10.5	.4/.9

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	N83 Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8-8->1/4
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'	6427'	2821'	79.5	35.5	60/110	40	6-6-1/8
3	7 7/8"	HTC	F4-H	N109	3/14's	6427'	8000'	1610'	77	20.9	60/110	40	

BHA #	In @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down),M#	Allow Max Pull, M#
--------------	--------	---------------------	--------------------

Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
------	------	-------	-----	-----	-----	-----	-----------	-------------------

Data, #1	IDECO	D-500	16	5 1/2"				Depth	Incl	Azim	TVD	E/-W	N/-S
----------	-------	-------	----	--------	--	--	--	-------	------	------	-----	------	------

#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2				
----	----	------	---	----	-----	-----	------	------	-----	--	--	--	--

[illegible]

Jet Vel	Kill SP	52	Kill Press	250	1660'	1 1/2			
---------	---------	----	------------	-----	-------	-------	--	--	--

BGG	CG	TG	Vendor	2249'	1 1/4				
-----	----	----	--------	-------	-------	--	--	--	--

Max	@	Engr Bill Small	2745'	3/4				
-----	---	-----------------	-------	-----	--	--	--	--

CASING DATA										3276'	1 3/4				
-------------	--	--	--	--	--	--	--	--	--	-------	-------	--	--	--	--

Size	Top	Depth	Wt	Gr	Shoe Test, ppg	3606'	MR				
2 5/8"	10.50"	1.55"	34.00"	1.55"		121.5'	2				

8 5/8"	surface	674'	24.00#	J-55	4015'	2			
					4514'	2 1/2			

					4514'	2 1/2			
					5650'	1 3/4			

[illegible]

6366'	2				
8000'	1 1/2				

[illegible]

DESCRIPTION OF DAILY ACTIVITIES

[illegible]

Date:	2/3/98	Well:	Twin Knolls Well # 5-9J				AFE #	A98102		
Depth	8000'	Proj TD	8000'	Present Opn W/O rig move & WOC				GL:	6558'	
Prog.	0	Formt	Kw	Legal Desc.		SWN Sec. 9 T11S	R17E	Duchesne Utah		
Days	12	Supervisor:	Chuck Emerson			Phone:	801-790-3337			Rig: Chandler Rig #1

Mud Type	KCL water & gel		Daily Mud Cost				Cum Mud Cost			
Pit Vol, Bbls	400 bbl		Hole Vol. 438		Vendor Mustang		Engr. Craig Hart			
Wt 8.8	Vis 35	PV 9	YP 8	Gels 3/6	API WL 13.2	HTHP	Feb-32	pf/mf		
Sol. 4.00%	O/W	ES 1/4	Cl 3100	Ca 40	LCM 1	pH 10.5	.4/9			

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
1	7 7/8"	HTC	GT-09	83Y	3/11's	648'	3606'	2958'	47.5	62.3	80	46	8-8->1/4
2	7 7/8"	HTC	F3-H	N859	3/14's	3606'	6427'	2821'	79.5	35.5	60/110	40	6-6-1/8
3	7 7/8"	HTC	F4-H	N109	3/14's	6427'	8000'	1610'	77	20.9	60/110	40	

BHA #	Ln @	Description	Length	Wt.
1	648'	bit, bit sub, 24-6" DC, XO sub	712.00'	48K
2	3606'	bit, XO sub, Mud motor, 24-6" DC, XO sub	731.89'	50K

Hookload, M#	Torque	Drag (+Up/-Down), M#	Allow Max Pull, M#
--------------	--------	----------------------	--------------------

Pump	Make	Model	Stk	Lnr	SPM	GPM	Press-psi	Deviation Surveys
------	------	-------	-----	-----	-----	-----	-----------	-------------------

Data,#1	IDECO	D-500	16	5 1/2"			Depth	Incl	Azim	TVD	E/-W	N/-S
---------	-------	-------	----	--------	--	--	-------	------	------	-----	------	------

#2	GD	PZ-8	8	6"	110	319	1300	682'	1/2				
----	----	------	---	----	-----	-----	------	------	-----	--	--	--	--

ECD	AVDC	193	AVDP	137	AVDP	1171'	1				
-----	------	-----	------	-----	------	-------	---	--	--	--	--

Jet Vel	Kill SP	52	Kill Press	250	1660'	1 1/2				
---------	---------	----	------------	-----	-------	-------	--	--	--	--

BGG	CG	TG	Vendor	2249'	1 1/4				
-----	----	----	--------	-------	-------	--	--	--	--

Max	@	Engr Bill Small	2745'	3/4				
-----	---	-----------------	-------	-----	--	--	--	--

[illegible]

Size	Top	Depth	Wt	Gr	Shoe Test, ppg	3606'	MR				
8-5/8"		17"	24.000	5.00							

8 5/8"	surface	674'	24.00#	J-55	4015'	2				
--------	---------	------	--------	------	-------	---	--	--	--	--

							4514'	2 1/2				
--	--	--	--	--	--	--	-------	-------	--	--	--	--

[illegible][illegible][illegible]

Time		Date Last Bop Test #####	Date Last Bop Drill 1/29/98	Tour
0700 To	Hrs.	Date Last PVT Check		
8:00	1	LDDP		
11:00	3	RU & run prod csg. As follows: 1-guide shoe (.87'), 1-shoe jt. (44.07'), 1-float collar (1.40'), 112-jt. 5 1/2", 15.50#, J-55 LT&C 8rd csg. Total csg. 4706.77'. Above KB 2.00'. Csg. Set @ 4704.77' KB. Float collar @ 4660.43' Centralize shoe mid-jt + 12 additional on every other collar.		
12:00	1	RD T&M casers & circulate		
13:00	1	RU BJ & cmt. prod. csg. as follows: Pump 20 bbl mud flush, 10 bbl. water spacer, 270 sk. 50/50 Poz "G" w/2% gel, 0.3% FL52, 1/4#/sk celloflake, 2#/sk Kolseal, drop plug. Displace w/110 bbl water w/3% ClayTreat. Reciprocate casing throughout job. Had excellent returns throughout job. Bump plug @ 1500 psi. Float held. RD BJ		
14:00	1	ND BOP, set slips & cut off. 64K # on hanger.		
19:00	5	Jet & clean pits. Rig released 1900 hr. 2-2-98.		

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR Sego Resources
ADDRESS P.O. Box 1066
266 W 100 N #2
Vernal, UT 84078

OPERATOR ACCT. NO. N 6095

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG			
A	99999	12349	43-013-31446	Sego Resources Well #1	SW/4 NW/4	23	11S	15E	Oucheswe	10/24/97	
WELL 1 COMMENTS: CONFIDENTIAL Entity added 4-17-98. (middle bench unit) <i>lec</i>											
B	99999	12349	43-013-31449	Sego Resources Well #4	SW/4 NE/4	31	11S	16E	Oucheswe	10/29/97	
WELL 2 COMMENTS: CONFIDENTIAL Entity added 4-17-98. (middle bench unit) <i>lec</i>											
A	99999	12349	43-013-31447	Sego Resources Well #2	SW/4 NE/4	23	11S	15E	Oucheswe		
WELL 3 COMMENTS: CONFIDENTIAL #2 was never spudded. Instead, all material was moved to Twin Knolls 5-9J and it was spud on 1/19/98 Entity added 4-17-98. (middle bench unit) <i>lec</i>											
A	99999	12350	43-013-31446	Twin Knolls 5-9J	SW/4 NE/4	9	11S	17E	Oucheswe	1/19/98	
WELL 4 COMMENTS: CONFIDENTIAL Entity added 4-17-98. <i>lec</i>											
A	99999	12351	43-013-31444	Twin Knolls 15-8J	SW/4 SE/4	8	11S	17E	Oucheswe	1/31/98	
WELL 5 COMMENTS: CONFIDENTIAL Entity added 4-17-98. <i>lec</i>											

ACTION CODES (See instructions on back of form)
A - Establish new entity for new well (single well only)
B - Add new well to existing entity (group or unit well)
C - Re-assign well from one existing entity to another existing entity
D - Re-assign well from one existing entity to a new entity
E - Other (explain in comments section)

NOTE: Use COMMENTS section to explain why each Action Code was selected.
(3/89)

R. S. Alinger
Signature
CEO
Title
4-17-98
Date
Phone No. (435) 789-7250

(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
 Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL ☐GAS ☐

X

OTHER: ☐

2. Name of Operator

Sego Resources Corp.

3. Address and Telephone Number

9137 E. Mineral Circle, Suite 250, Englewood, CO 80112-3423

Telephone (303) 799-0324 Fax (303) 799-0333

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1990' FNL 765' FWL, Sec. 9, T11S, R17E SLBM

FORM APPROVED

Budget Bureau No. 1004-0135

Expires March 31, 1993

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Twin Knolls 5-9J

9. API Well No.

43-013-31996

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

12 CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
- ☐ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☐ Other: Request for extension
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completions on Well
 Completion or Recompletion Report and Log Form)

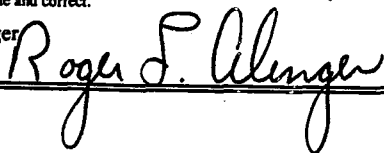
13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

In February of last year Sego Resources tested the Twin Knolls 5-9J well with marginal success. Since that time an evaluation has been underway to determine the potential producibility of the well. Current plans are to attempt to produce the well next summer after ambient temperatures increase. If non-commercial rates are obtained a plugging procedure will be submitted.

If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

14 I hereby certify that the foregoing is true and correct.

Name/Signature: Roger L. Alinger



Title: CEO Date: February 16, 1999

(This space for Federal or State office use)

Approved by _____

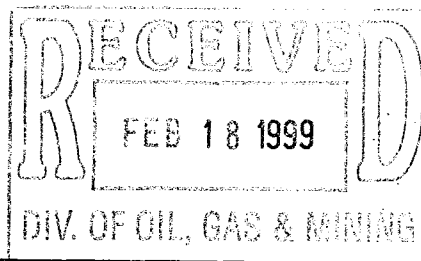
Title _____

Date _____

Conditions of approval (if any):

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side



STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS PROGRAM

PHONE CONVERSATION DOCUMENTATION FORM

✓ Copy? ☐

Conversation Pertains to:

☒ WELL

☐ OTHER

Twin Knolls 5-95

Section 9 Township 11S Range 17E

API Number 43-013-31996

Topic of Conversation: Well Completion Report

Date of Phone Call: 4/6/99

Time: 10:30 Am

DOGM Employee (name): Don Staley

✓ Initiated Call? ☒

Spoke with:

Name: Roger Alinger

✓ Initiated Call? ☐

Of (company/organization): Sego Resources Phone: 303-779-0324

Highlights of Conversation:

DTs Requested WCR for well.

Mr. Alinger said he would submit one.

SEGO RESOURCES

May 13, 1998

Mr. Edwin I. Forsman
Bureau of Land Management
170 South 500 East
Vernal, Utah 84078

Re: Completion Reports
Sego Resources Well # 1
Twin Knolls 5-9J
Twin Knolls 15-8J

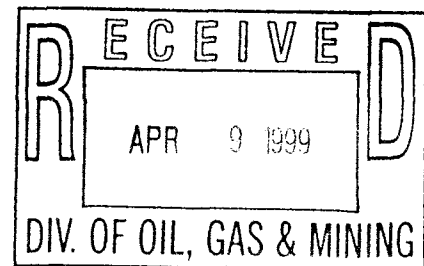
Dear Ed:

Enclosed are completion reports on the above referenced wells. The Sego Resources Well #1 was completed as a water source well in the Green River formation. The two Twin Knolls wells have had some Green River formation testing done on them but we have not established commercial production. We are planning additional testing up hole at a future date.

Regards,

Roger
Roger L. Alinger

Cc: w/attachments Department Oil Gas and Mining



FORM 3160-4
(November 1983)
(Formerly 9-330)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No 1004-0137
Expires: August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1 a. TYPE OF WELL ☐ OIL WELL ☐ GAS WELL ☒ OTHER

b. TYPE OF COMPLETION ☒ NEW WELL ☐ WORK OVER
☐ DEEPEN ☐ DIFF. RESERV. ☐ OTHER:

2. NAME OF OPERATOR
Sego Resources Corp.

3. ADDRESS OF OPERATOR
P.O. Box 1066, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At Surface 1990' FNL, 765' FWL, Sec.9, T11S, R17E SLBM

At Proposed Producing Zone

Same

At Total Depth:

Same

RECEIVED
APR 9 1999
DIV. OF OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL No.
UTU 74403

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NAME

Twin Knolls 5-9J

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. QQ, SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

Sec.9, T11S, R17E

14. PERMIT NO.
43-013-31996

DATE ASSIGNED
1/18/98

12. COUNTY
Duchesne

13. STATE
Utah

15. SPUD DATE
1/19/98

16. DATE TD REACHED
2/1/98

17. DATE COMPL. (Ready to prod.)
2-1-98

18. ELEVATIONS (DF, RKB, RT, GL, ETC.)*
KB 6572'

19. ELEV. CASINGHEAD
6558'

20. TOTAL DEPTH, MD & TVD
7998'

21. PLUG BACK TD, MD & TVD
4660'

22. IF MULTIPLE COMPL.,
HOW MANY?*

23. INTERVAL
Rotary? Cable Tools?
DRILLED BY 7998'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION -- TOP, BOTTOM, NAME (MD & TVD)

25. WAS DIRECTIONAL SURVEY
MADE? yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

Induction, Neutron-Density, CBL/GR/CEL 2-17-98

27. WAS WELL CORED? () Yes (X) No (Submit Analysis)
DRILL STEM TEST? () Yes (X) No (See Reverse Side)

28. CASING RECORD (Report all strings set in well)

SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24.00	574'	11"	300 sks "G" w/2% CaCl	
5 1/2"	15.50	4705'	7 7/8"	270 sks 50:50 POZ	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size, and number)

4488' - 4502', 4-JSPF, 0.4
4239' - 4245', 4-JSPF, 0.46"
3848' - 3868', 4-JSPF, 0.46"

32. CID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
4239' - 4245'	500 gal. 7 1/2% HCL
3848' - 3868'	1500 gal. 7 1/2% HCL

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)					WELL STATUS (Producing or shut-in)	
NA		Tested small amount of oil					Shut - in: developing testing program	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR	OIL--BBL.	GAS--MCF	WATER--BBL.	GAS - OIL RATIO	
2/11/98			TEST PERIOD					
FLOW. TBG PRESSURE		CSG PRESSURE	CALCULATED	OIL--BBL.	GAS--MCF	WATER--BBL.	OIL GRAVITY - API (CORR.)	
			24-HOUR RATE					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that this report is true and complete to the best of my knowledge

Signed: R.L. Alinger

R. L. Alinger

Title: District Operations Manager

See Spaces for Additional data on Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof: and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries): Twin Knolls 5-9j

FORMATIONS	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

38.

GEOLOGIC MARKERS

NAME	TOPS	
	MEASURED DEPTH	TRUE VERTICAL DEPTH
Uinta/Green River Wasatch	Surface 4902'	same

(June 1990)

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL ☐ GAS ☒ OTHER: ☐

2. Name of Operator

Sego Resources Corp.

3. Address and Telephone Number

9137 E. Mineral Circle, Suite 250, Englewood, CO 80112-3423

Telephone (303) 799-0324 Fax (303) 799-0333

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1990' FNL 765' FWL, Sec. 9, T11S, R17E SLBM

FORM APPROVED

Budget Bureau No. 1004-0135

Expires March 31, 1993

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Twin Knolls 5-9J

9. API Well No.

43-013-31996

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other: See Below

- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completions on Well
Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Sego Resources Corp. effective September 2, 1999 merged into Falcon Creek Resources, Inc.

Falcon Creek Resources, Inc.
621 17th Street, Suite 1800
Denver CO. 80293-0621

The bonds in effect are attached.

Sego Resources, Corp. bond's will have a name change to read Falcon Creek Resources, Inc.

If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

14 I hereby certify that the foregoing is true and correct.

Name/Signature: Joe H. Cox Jr.

Title: Senior Engineer

Date: September 17, 1999

(This space for Federal or State office use)

Approved by _____

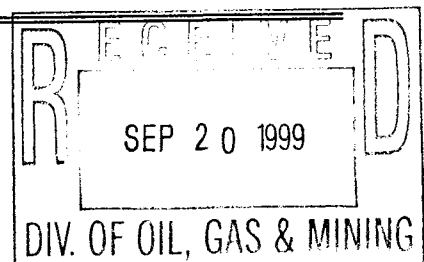
Title _____

Date _____

Conditions of approval (if any):

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3106
UTU-62159 et al
(UT-932)

SEP 2 1 1999

NOTICE

Falcon Creek Resources, Inc.
621 17th Street, Suite 1800
Denver, CO 80293-0621

Oil and Gas

Merger Recognized

Acceptable evidence has been filed in this office concerning the merger of Sego Resources Corp. into Falcon Creek Resources, Inc. with Falcon Creek Resources, Inc. being the surviving entity.

For our purposes the merger is recognized effective September 7, 1999, the date the Secretary of State of the State of Delaware recognized the merger.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the merger. The exhibit is the list supplied by Falcon Creek Resources, Inc. We have not adjudicated the case files to determine if the entity affected by the merger holds an interest in the leases identified, nor have we attempted to identify leases where the entity is the operator on the ground, maintaining no vested record title or operating rights interest. We are notifying the Minerals Management Service and all applicable BLM offices of the merger by a copy of this notice. If additional documentation for a change of operator is required by our Field Offices, you will be contacted by them.

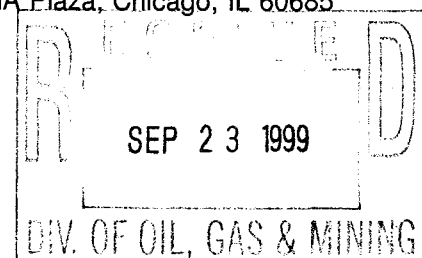
By recognition of the merger the principal is automatically changed by operation of law from Sego Resources Corp. to Falcon Creek Resources, Inc. on Statewide Surety Bond No. 158577991 (BLM Bond No. UT1089).

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure
Exhibit of Leases

cc: Moab Field Office
Vernal Field Office
MMS—Reference Data Branch, MS 3130, P.O. Box 5860, Denver, CO 80217
State of Utah, DOGM, Attn: Kristen Risbeck (Ste. 1210), Box 145801, SLC, UT 84114
American Casualty Company of Reading Pennsylvania, CNA Plaza, Chicago, IL 60685
Irene Anderson (UT-932)
Teresa Thompson (UT-931)
LaVerne Steah (UT-942)



(June 1990)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Budget Bureau No. 1004-0135

Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

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Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Twin Knolls 5-9J

9. API Well No.

43-013-31996

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL

☐

GAS

☒

OTHER:

☐

2. Name of Operator

Falcon Creek Resources, Inc.

3. Address and Telephone Number

621 17th Street, Suite 1800, Denver, CO 80293-0621

Telephone (3 303-675-0007

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1990' FNL 765' FWL, Sec. 9, T11S, R17E SLBM

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐

Notice of Intent

☒

Subsequent Report

☐

Final Abandonment Notice

TYPE OF ACTION

☐

Abandonment

☐

Recompletion

☐

Plugging Back

☐

Casing Repair

☐

Altering Casing

☒

Other: See Below

☐

Change of Plans

☐

New Construction

☐

Non-Routine Fracturing

☐

Water Shut-Off

☐

Conversion to Injection

☐

Dispose Water

(Note: Report results of multiple completions on Well
Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Sego Resources Corp. effective September 2, 1999 merged into Falcon Creek Resources, Inc.

Falcon Creek Resources, Inc.

621 17th Street, Suite 1800

Denver CO. 80293-0621

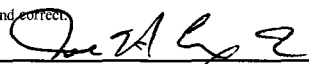
The bonds in effect are attached.

Sego Resources, Corp. bond's will have a name change to read Falcon Creek Resources, Inc.

If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

14 I hereby certify that the foregoing is true and correct.

Name/Signature: Joe H. Cox Jr.



Title: Senior Engineer

Date: September 27, 1999

(This space for Federal or State office use)

Approved by _____

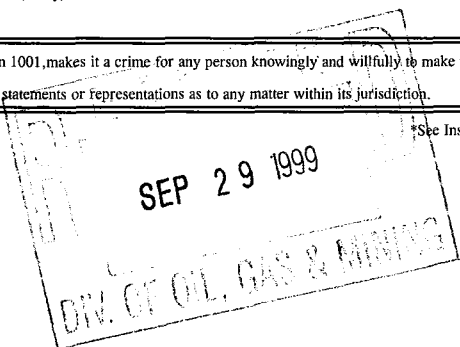
Title _____

Date _____

Conditions of approval (if any):

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side



ROUTING:

1- CDW	4-KAS
2-CDW	5-SJ ✓
3-JLT	6-FILE

OPERATOR CHANGE WORKSHEET

Check each listed item when completed. Write N/A if item is not applicable.

Change of Operator (Well Sold) ☐ Designation of Agent
☐ Operator Name Change Only ☒ Merger

The operator of the well(s) listed below has changed, effective: 9-1-99

TO:(New Operator) FALCON CREEK RES., INC.
 Address: 621 17TH ST., STE 1800
DENVER, CO 80293-0621
Linda Baker
 Phone: 1-(303) 675-0007
 Account No. N2915

FROM:(Old Operator) SEGO RESOURCES CORP.
 Address: P. O. BOX 1066
VERNAL, UT 84078-4362
 Phone: 1-(435)-789-7250
 Account No. N6095

WELL(S):	CA No.	N/A	or	N/A	Unit
Name: <u>SEGO RESOURCES 4</u>	API: <u>43-013-31949</u>	Entity: <u>12349</u>	S	<u>31</u>	T <u>11S</u> R <u>16E</u> Lease: <u>U-73425</u>
Name: <u>TWIN KNOLLS 15-8J</u>	API: <u>43-013-31994</u>	Entity: <u>12351</u>	S	<u>8</u>	T <u>11S</u> R <u>17E</u> Lease: <u>U-75672</u>
Name: <u>TWIN KNOLLS 11-9J</u>	API: <u>43-013-31997</u>	Entity: <u>99999</u>	S	<u>9</u>	T <u>11S</u> R <u>17E</u> Lease: <u>U-74403</u>
Name: <u>TWIN KNOLLS 5-9J</u>	API: <u>43-013-31996</u>	Entity: <u>12350</u>	S	<u>9</u>	T <u>11S</u> R <u>17E</u> Lease: <u>U-74403</u>
Name: <u>TWIN KNOLLS 7-8J</u>	API: <u>43-013-31995</u>	Entity: <u>99999</u>	S	<u>8</u>	T <u>11S</u> R <u>17E</u> Lease: <u>U-75672</u>
Name: _____	API: _____	Entity: _____	S	_____	T _____ R _____ Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T _____ R _____ Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T _____ R _____ Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T _____ R _____ Lease: _____

OPERATOR CHANGE DOCUMENTATION

- YES 1. A pending operator change file has been set up.
- YES 2. (R649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator on 9-20-99.
- YES 3. (R649-8-10) Sundry or other legal documentation has been received from the **NEW** operator on 9-29-99.
- YES 4. The new company has been looked up in the **Department of Commerce, Division of Corporations Database** if the new operator above is not currently operating any wells in Utah. Is the operator registered with the State?
 Yes/No If yes, the company file number is 224062 if no, Division letter was mailed to the new operator on _____.
- YES 5. **Federal and Indian Lease Wells.** The BLM or the BIA has approved the merger, name change or operator change for all wells listed above involving Federal or Indian leases on 9-7-99.
- N/A 6. **Federal and Indian Units.** The BLM or the BIA has approved the successor of unit operator for all wells listed above involving unit operations on _____.
- N/A 7. **Federal and Indian Communitization Agreements ("CA").** The BLM or the BIA has approved the operator change for all wells listed above involved in the CA on _____.

-OVER-

YES 10. Changes have been included on the **Monthly Operator Change** letter on 4-12-00.

N/A 1. State Well(s) covered by Bond No. _____

COMMENTS

SEGO RESOURCES

AN EXPLORATION AND PRODUCTION COMPANY

October 4, 1999

Mr. Ed Forsman
BLM-Vernal District Office
170 South 500 East
Vernal, Utah 84078

Dear Mr. Forsman:

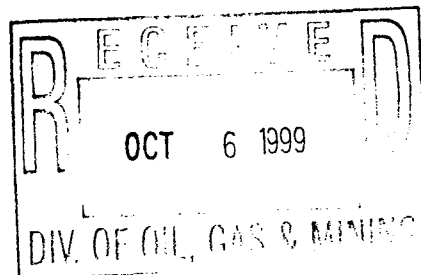
Enclosed are sundry notices to plug the Twin Knolls #15-8J, Twin Knolls #5-9J, and the Sego Resources Well #1. In addition, there is a sundry notice to reclaim the surface on the Sego Resources Well #3 location. Our plan is to get the work completed during the month of October.

If there are any questions or comments, I can be reached at (303) 799-0324 or (303) 675-0007, ext. 111. The latter number is our merger partner, Falcon Creek Resources. I'm spending about half my time at that office.

Regards,

Roger L. Alinger
Roger L. Alinger

Cc: Utah DNR/DOGM



(June 1990)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Budget Bureau No. 1004-0135

Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL ☐ GAS ☐ OTHER: ☐

2. Name of Operator

Sego Resources Corp.

3. Address and Telephone Number

9137 E. Mineral Circle, Suite 250, Englewood, CO 80112-3423

Telephone (303) 799-0324 Fax (303) 799-0333

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1990' FNL 765' FWL, Sec. 9, T11S, R17E SLBM

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Twin Knolls 5-9J

9. API Well No.

43-013-31996

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
- ☐ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☐ Other: Request for extension
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Sego Resources is planning to plug the Twin Knolls 5-9J well by setting a CIBP at +/- 3700 feet and dumping 35 feet of cement on top with a wireline dump bailer. Casing will then be cut 2 feet below ground level, a 20 foot cement plug set across surface and a plate welded on top of the casing. Surface will be reclaimed in accordance with the drilling permit conditions of approval.

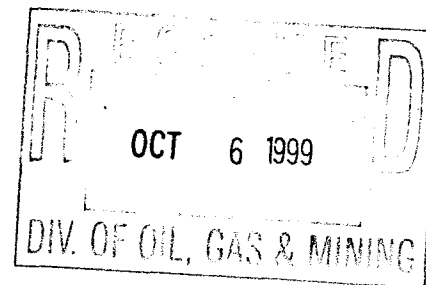
If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

14 I hereby certify that the foregoing is true and correct.

Name/Signature: Roger L. Alinger

Date: October 4, 1999

(This space for Federal or State office use)



Approved by _____

Title _____

Date _____

Conditions of approval (if any):

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side

COPY SENT TO OPERATOR

Date: 10-7-99
Initials: CAVFederal Approval of this
Action is Necessary

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3106
UTU-64913 et al
(UT-932)

AUG 10 2000

NOTICE

Sapient Energy Corp. : Oil and Gas
621 17th Street, Suite 1800 :
Denver, CO 80293-0621 :

Merger Recognized

Acceptable evidence has been filed in this office concerning the merger of Falcon Creek Resources, Inc. into Sapient Energy Corp. with Sapient Energy Corp. being the surviving entity.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the merger. The exhibit is the list supplied by Sapient Energy Corp. We have not adjudicated the case files to determine if the entity affected by the merger holds an interest in the leases identified, nor have we attempted to identify leases where the entity is the operator on the ground, maintaining no vested record title or operating rights interest. We are notifying the Minerals Management Service and all applicable BLM offices of the merger by a copy of this notice. If additional documentation for a change of operator is required by our Field Offices, you will be contacted by them.

Oil and gas leases UTU-66477 and UTU-77375 are closed on the records of this office.

By recognition of the merger the principal is automatically changed by operation of law from Falcon Creek Resources, Inc. to Sapient Energy Corp. on Statewide Surety Bond No. 158577991 (BLM Bond No. UT1089).

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure
Exhibit of Leases

cc: Moab Field Office
Vernal Field Office
MMS-Reference Data Branch, MS 3130, P.O. Box 5860, Denver, CO 80217
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC, UT 84114
American Casualty Company of Reading Pennsylvania, CNA Plaza, Chicago, IL 60685
Irene Anderson (UT-932)
Teresa Thompson (UT-931)
LaVerne Steah (UT-942)

RECEIVED

AUG 11 2000

DIVISION OF
OIL, GAS AND MINING

Exhibit "A"

BLM Leases involved with the merger between Falcon Creek Resources, Inc. and Sapient Energy Corp.
Utah

UT U-64913	UT U-75231
UT U-64921	UT U-75232
UT U-65319	UT U-75233
UT U-65323	UT U-75670
UT U-65324	UT U-75672
UT U-65767	UT U-76760
UT U-65773	UT U-76761
UT U-65776	UT U-76809
UT U-65779	UT U-76810
UT U-65782	UT U-76811
UT U-65783	UT U-76812
UT U-65785	UT U-76814
UT U-66477 EXPIRED 12/31/1499	UT U-77336
UT U-66798	UT U-77375 EXPIRED APRIL 30, 2002
UT U-66800	
UT U-67253	
UT U-68527	
UT U-68529	
UT U-69003	
UT U-69094	
UT U-69095	
UT U-69096	
UT U-70847	
UT U-70848	
UT U-70849	
UT U-70850	
UT U-70887	
UT U-70888	
UT U-70889	
UT U-71401	
UT U-72013	
UT U-73165	
UT U-73425	
UT U-73664	
UT U-73666	
UT U-73669	
UT U-74387	
UT U-74395	
UT U-74396	
UT U-74397	
UT U-74403	

(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL ☐GAS ☐OTHER: ☒

2. Name of Operator

Falcon Creek Resources, Inc.

3. Address and Telephone Number

621 17th Street, Suite 1800, Denver, CO 80293-0621

Telephone (3 303-675-0007

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1990' FNL 765' FWL, Sec. 9, T11S, R17E SLBM

FORM APPROVED

Budget Bureau No. 1004-0135

Expires March 31, 1993

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Twin Knolls 5-9J

9. API Well No.

43-013-31996

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐

Notice of Intent

☒

Subsequent Report

☐

Final Abandonment Notice

TYPE OF ACTION

☐

Abandonment

☐

Recompletion

☐

Plugging Back

☐

Casing Repair

☐

Altering Casing

☒

Other: See Below

☐

Change of Plans

☐

New Construction

☐

Non-Routine Fracturing

☐

Water Shut-Off

☐

Conversion to Injection

☐

Dispose Water

(Note: Report results of multiple completions on Well
Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Falcon Creek Resources has merged into Sapient Energy Corporation. Please be advised of the name and address changes.
As of July 14, 2000

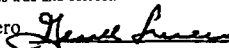
Sapient Energy Corporation (Colorado Office- Operations Office)
621 17th Street, Suite 1800
Denver CO. 80293-0621

Sapient Energy Corporation (Tulsa Office- Main office)
8801 South Yale, Suite 150
Tulsa, Oklahoma 74137

If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

14 I hereby certify that the foregoing is true and correct.

Name/Signature: Gerald Lucero



Title: Manager of Operations

Date: August 16, 2000

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval (if any):

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side

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AUG 24 2000

DIVISION OF
OIL, GAS AND MINING

OPERATOR CHANGE WORKSHEET**ROUTING**

1. GLH		4-KAS
2. CDW		5-SJ
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

X Merger

The operator of the well(s) listed below has changed, effective:

7-14-2000**FROM:** (Old Operator):

FALCON CREEK RESOURCES INC

Address: 621 17TH STREET STE 1800

DENVER, CO 80293-0621

Phone: 1-(303)-675-0007

Account No. N2915

TO: (New Operator):

SAPIENT ENERGY CORPORATION

Address 621 17TH STREET STE 1800

DENVER, CO 80293-0621

Phone: 1-(303)-675-0007

Account N1385

CA No.**Unit:****WELL(S)**

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
SEGO RESOURCES # 3	43-013-31948	99999	23-11S-15E	FED	GW	LA
SEGO RESOURCES # 4	43-013-31949	12349	31-11S-16E	FED	GW	PA
SEGO RESOURCES # 1	43-013-31946	12349	23-11S-15E	FED	WS	A
TWIN KNOLLS 7-8J	43-013-31995	99999	08-11S-17E	FED	GW	LA
TWIN KNOLLS 15-8J	43-013-31994	12351	08-11S-17E	FED	GW	S
TWIN KNOLLS 5-9J	43-013-31996	12350	09-11S-17E	FED	GW	S
TWIN KNOLLS 11-9J	43-013-31997	99999	09-11S-17E	FED	GW	LA

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 07/25/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 07/25/2000
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 10-17-2000
- Is the new operator registered in the State of Utah: YES Business Number: 1401148-0143
- If **NO**, the operator was contacted on: _____
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 06/05/2000
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator

change for all wells listed involved in a CA on:

N/A

9. **Underground Injection Control ("UIC") Proj:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/18/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/18/2000
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 2/26/01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: _____

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

RECEIVED
JAN 09 2001
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.

UTU74403

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Twin Knolls 5-9J

9. API Well No.

43-013-31996

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

1. Type of Well:

OIL ☐

GAS ☐

OTHER: ☐

2. Name of Operator

Sapient Energy Corp

3. Address and Telephone Number

621 17th Street, Suite 1800

Telephone (303) 675-0007 Fax (303) 675-0008

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1990' FNL 765' FWL, Sec. 9, T11S, R17E SLBM

RECEIVED
SEP 20 2000

12. ECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☒ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☐ Other: Request for extension

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completions on Well
Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

On September 15, 2000 the Twin Knolls 5-9J well was plugged and abandoned by setting cement plugs as follows:

775' to 525' : 28 sacks of Class "G" +2% CaCl₂

60' to surface : 9 sacks of Class "G" + 2% CaCl₂

The casing will be cut off 3' below surface and a dry hole marker welded on top.

On February 9, 2000 a CIBP was set at 3,700'. Thirty-five feet of cement was placed on top of the CIBP with a dump bailer.

The same day 350 sacks of Class "G" cement with 2% CaCl₂ was pumped down the 5 1/2" by 8 5/8" annulus and pressured to 90 psi.

The location will be reclaimed in the near future.

If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

14 I hereby certify that the foregoing is true and correct.

Name/Signature: Roger L. Alinger

Date: September 18, 2000

(This space for Federal or State office use)

Approved by:

Title:

Date:

Conditions of approval (if any):

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side

RECEIVED

MAR 30 2001

DIVISION OF
OIL, GAS AND MINING

OPERATOR

Sapient Energy Corporation
621 17th Street, Suite 1800
Denver, Colorado

January 3, 2001

Re: Plugging & Reclamation
Twin Knolls 5-9J
SWNW Section 9, T11S, R17E

Twin Knolls Well No. 5-9J was inspected for reclamation on October 11, 2000. Work is satisfactory to the authorized officer under the following Conditions of Approval.

Conditions of Approval

1. Revegetation remains to occur. The location and access road will be reinspected after future growing seasons. If vegetation fails to satisfactorily germinate the operator may be required to perform additional seeding.